

Fund 319 Housing Flexibility Fund

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2006 Advertised Budget Plan, as approved by the Board of Supervisors on April 25, 2005:

- ◆ The Board of Supervisors created this fund as part of the FY 2006 Adopted Budget Plan.
- ◆ As part of the FY 2007 Budget Guidelines approved by the Board of Supervisors on April 18, 2005, the Board directs the County Executive to identify an allocation process before the Board's fall recess, to be approved by the Board of Supervisors, to prioritize and monitor affordable housing preservation initiatives funded through the annual designation of the value of one penny on the real estate tax rate. This process should be designed to quickly and significantly impact the availability of affordable housing in the County within established criteria. An initial amount of \$17,900,000 is included in a new County fund, Housing Flexibility Fund, in the FY 2006 budget for this purpose.

Focus

This fund established in FY 2006, represents the dedication of the value of one cent on the real estate tax rate or \$17,900,000 in FY 2006 to a major County priority, the Preservation of Affordable Housing. This first and future, installments for affordable housing will be held in the newly created Fund 319, Housing Flexibility Fund, designed to quickly and significantly impact the availability of affordable housing in the County.

The Board of Supervisors set a goal to preserve 1,000 units of affordable housing by 2007. Given that the cost of land and value of existing property in Fairfax County is at an all time high, financing and funding is critical to achieving that goal. The Affordable Housing Preservation Action Committee has recommended ways to reach this goal including the dedication of one penny of the real estate tax rate to help keep 1,000 units of housing at affordable rental rates along with raising funds from other sources. As noted by the committee, quick action is necessary to maintain affordable housing in a market driven by rising demand and dwindling supply. Since 1997, the County has lost 1,300 affordable units that have been converted into luxury condominiums or market-rate apartments. This dedicated funding source represents a meaningful investment toward stemming the ongoing loss of affordable housing in Fairfax County and was approved by the Board during deliberations on the budget.

A Fund Statement, a Summary of Capital Projects, and Project Detail Tables for each project funded in FY 2006 are provided on the following pages. The Summary of Capital Projects may include some projects without a Total Project Estimate amount. These projects are considered "continuing" projects or projects for which funding is necessary on an ongoing basis (e.g., contingency or planning project). The Project Detail Tables include project location, description, source of funding and completion schedules.

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FUND STATEMENT

Fund Type G30, Capital Project Funds

Fund 319, Housing Flexibility Fund

	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Transfer In:					
General Fund (001)	\$0	\$0	\$0	\$0	\$17,900,000
Total Transfers In	\$0	\$0	\$0	\$0	\$17,900,000
Total Available	\$0	\$0	\$0	\$0	\$17,900,000
Total Expenditures	\$0	\$0	\$0	\$0	\$17,900,000
Total Disbursements	\$0	\$0	\$0	\$0	\$17,900,000
Ending Balance	\$0	\$0	\$0	\$0	\$0

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FY 2006 Summary of Capital Projects

Fund: 319 Housing Flexibility Fund

Project #	Description	Total Project Estimate	FY 2004 Actual Expenditures	FY 2005 Revised Budget	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan
014196	Affordable/Workforce Housing Projects		\$0.00	\$0.00	\$0	\$17,900,000
Total			\$0.00	\$0.00	\$0	\$17,900,000

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014196	Affordable/Workforce Housing Projects
Countywide	Countywide
<p>Description and Justification: This project will provide funding for the preservation of affordable housing. This funding is supported by \$17.9 million in General Fund monies, or the approximate value of one penny from the County's Real Estate tax. Funding is provided to meet the Board of Supervisors' goal to preserve 1,000 units of affordable housing by 2007. As noted by the Affordable Housing Preservation Action Committee, quick action is necessary to maintain affordable housing in a market driven by rising demand and dwindling supply. Since 1997, the County has lost 1,300 affordable units that have been converted into luxury condominiums or market-rate apartments.</p> <p>In FY 2006 the County Executive and staff will work to identify an allocation process before the Board's fall recess, to be approved by the Board of Supervisors, to prioritize and monitor affordable housing preservation initiatives funded through the annual designation of the value of one penny on the real estate tax rate. This process will be designed to <u>quickly</u> and <u>significantly</u> impact the availability of affordable housing in the County within established criteria.</p>	

	Total Project Estimate	Prior Expenditures	FY 2004 Expenditures	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan	Future Years
Land Acquisition		\$0	\$0	\$0	\$0	\$0	\$0
Design and Engineering		0	0	0	0	0	0
Construction		0	0	0	0	0	0
Other		0	0	0	0	17,900,000	0
Total	Continuing	\$0	\$0	\$0	\$0	\$17,900,000	\$0

Source of Funding				
General Funding	General Obligation Bonds	Transfers from Other Funds	Other	Total Funding
\$17,900,000	\$0	\$0	\$0	\$17,900,000